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Innovate Montana is a public/private partnership, led by the Governor's Office of Economic Development working in collaboration with Montana's business community. Through this brand, our goal is to promote and market opportunities for businesses and entrepreneurs to invest in Montana's growing economy.



**Governor
Brian Schweitzer**

MESSAGE FROM THE GOVERNOR:

Another Banner Year for Montana

Welcome to the first Innovate Montana newsletter for 2012. I'm always proud to say that we do things differently in Montana. The sting of the global economic recession has been felt here but we continue to deal with it by running the state like a business, and with the resolve that has made Montana such a great place to start and grow a company, raise a family, and build a community.

It's no secret that Montana is emerging from this prolonged recession as one of only a handful of states with money in the bank. We currently have over \$400 million in cash reserves; one of the strongest cash balances in Montana history. Having money in the bank has allowed our state to continue providing the essential services that businesses depend upon to succeed. We invested more funds into our world-class education system, maintained and improved critical infrastructure, and continue to offer businesses that help innovators thrive and create jobs.

The improvement of our business and economic climate over the last seven years has not gone unnoticed. Recently, the US Chamber of Commerce and National Chamber Foundation rated Montana as the #1 state for entrepreneurship and overall business start-up activity. Montana is also consistently ranked as one of the top business tax climates in the nation (6th best) according to the conservative Tax Foundation.

These economic climate indicators combined with our unparalleled quality of life have been a boon to Montana's economy. Businesses are expanding and relocating to our state, benefiting Montanans with the creation of over 6,000 private sector jobs in the last quarter alone. In addition, we had the highest annual income gained due to interstate migration in a recent report. The evidence is clear: innovators and industry leaders are building their businesses and living their dreams here.

Please enjoy this newsletter, and join me in my commitment to expanding innovation, opportunity, and business in our great state through Innovate Montana.



Montana Earns National Recognition for its Support of Innovators

When strategic recruitment of tech companies and a pro-business climate earned Montana the number one spot on the U.S. Chamber of Commerce's ranking of best states for business startups, it came as no surprise to Montana Governor Brian Schweitzer.

"We target innovators," he said, adding that recruitment starts with dinner with the governor. "I answer their questions and give them my cell phone number."

That accessibility and Montana's pro-business climate are key, according to the state's technology firms.

"They will bend over backwards to help you," said Alex Philp, president and CEO of TerraEchos, Missoula. "That means access to capital, introductions to angel investors and venture capital networks, and access to government grants and programs."

James Stephens, vice president, Blue Marble R&D Headquarters, Missoula, agrees. "Montana scored on all of the counts that were important to our company: access to universities, proximity to green technology companies, land prices, labor wages, etc.," he said.

Great Falls' Talent Pool Draws New EMTEQ Branch and 60 Jobs

Great Falls, Billings and Missoula all made *Forbes'* 2011 Best Small Cities for Job Growth with rankings of 48, 93 and 152 respectively in a total of 243 cities. The rankings are based on the area's recent and long-term growth trends. "Small" cities are those with up to 150,000 jobs and includes total nonfarm employment, manufacturing, financial services, business and professional services, educational and health services, information, retail and wholesale trade, transportation and utilities, leisure and hospitality, and government.

Montana Entrepreneurs Get Boost from Indian Equity Fund Grants

Citing the area's potential employee base as well as the proximity of Malmstrom Air Force Base as deciding factors in selecting Great Falls over three other potential locations, EMTEQ Aviation Products & Services announced that it will employ 60 people in the Electric City by the end of 2013.

The Wisconsin-based aerospace manufacturing company has already hired 20 people for its Great Falls operations, which will open in early February. One of five EMTEQ locations worldwide, the new facility will manufacture electronic assemblies for commercial aircraft.

The Great Falls Development Authority (GFDA) worked closely with city officials, the Montana Department of Commerce and EMTEQ on what Jeremiah Johnson, GFDA vice president of marketing, calls a "true team effort" to bring EMTEQ to Great Falls.

Founded in 1996, EMTEQ expects to have gross sales of more than \$80 million in 2012.

MSU Ramping Up Research Park to Bolster Long-Term Innovation

Montana State University Innovation Campus is raising the bar in its support of technology innovators, starting with a new name and its first executive director.

Previously named the Advanced Technology Park, the nearly 20-year-old research park sits on 19 acres adjacent to the MSU campus. The new name underscores the park's critical tie to MSU, according to executive director Teresa McKnight, who has already begun work on a master plan for the campus.

"I think the window of opportunity is open right now [for growth]. It's an exciting time," McKnight said.

Among the potential goals is development of another 42 acres west of the research park. Ultimately, McKnight sees the campus as home to tech companies commercializing research begun at MSU, providing employment opportunities for graduates and residents alike and bolstering the economy far into the future.

Startups Thrive in the Gallatin Valley

A shining star among “Silicon Prairie” hubs, Bozeman’s combination of professional and social amenities attracts the kind of employees Jerry Nettuno needs. Nettuno launched Schedulicity in 2010. The online appointment booking platform helps small businesses such as hair salons fill up their appointment books. Particularly impressive is its “pop-up offers” to customers allowing them to fill last-minute cancellations, a feature that earned the company a DEMOgod Award in 2011. Schedulicity currently has a staff of 19.

“It’s a small town . . . with fantastic schools and unbelievable opportunities for recreation, so we have people come here from all over,” Nettuno said.

Schedulicity isn’t alone in preferring the Montana lifestyle. More than 80 tech companies call Bozeman home, most with ties to technology developed or advanced by researchers at MSU.



IConnect Lands Major Client for World-Class Data Center

The newest client of IConnect Montana’s 47,000 square foot state-of-the-art data center is expected to fill one quarter of the Billings facility within the next few years, potentially prompting IConnect’s next expansion. “We planned four growth phases for the center, and with this contract we will complete phase one,” said Andy York, CEO.

A high-tech firm from the Seattle area, the newest IConnect tenant is one of several out-of-state companies drawn by the data center’s cost controls, security and reliability. IConnect is currently doing power upgrades at its Billings and Missoula locations to meet the growing demand. The ten-year-old company also has locations in Helena, Great Falls and Bozeman. These “fiber hotels” allow clients to maintain critical data operations while freeing up resources to further their core competencies.

Nomad Global Communications Advancing Smartphone Technology

Nine years after brothers Will and Seth Schmautz founded Nomad Global Communications, they find themselves leading one of the most successful companies in northwest Montana. The Columbia Falls manufacturer employs more than 70 people and has a client list that includes the Departments of Homeland Security and Defense, as well as customers in Europe, South America and the Middle East.

Nomad provides turn-key mobile communications solutions, designing and building custom-made equipment and vehicles that are most often used in emergency situations. For example, transient firefighting command centers use Nomad technology to stay in touch under potentially life-threatening circumstances in rugged terrain.

Nomad’s latest focus is advancing smartphone technology to ensure that phones work anywhere, any time.

“Your smartphone really is the key to the future,” said Will Schmautz, CEO.



UM-Helena Eyes Aviation Program Expansion to Meet Boeing's Labor Demand

Boeing Helena's increased demand for skilled workers is prompting the University of Montana-Helena College of Technology to consider doubling its air and powertrain program by fall 2012. One of the aerospace giant's fabrication centers for complex machining and end-item aircraft parts manufacturing, Boeing Helena employs about 135 people in the Capitol city.

Being able to adjust to meet local and statewide workplace needs is a key priority for the two-year school, which has a placement rate of more than 90 percent for its technical programs. Recruitment targets high school students as well as adults, who benefit from the college's abundance of evening classes. Enrollment at UM-Helena has doubled in the last five years.

With its technical training, outreach and growing comprehensive education program, UM-Helena is well under way in meeting the goals of the Montana University System's College!NOW initiative. The initiative aims to increase enrollment in the state's two-year programs by making them more accessible, better coordinated and better understood.

As part of College!Now, each of the two-year schools are developing comprehensive strategic plans. Among potential goals in UM-Helena's draft plan are to increase online and evening classes by 5 percent each, grow enrollment by 10 percent each year, and develop new partnerships that will lead to new programs in high-demand fields.

UM-Helena has a long partnership with Boeing Helena, which was founded as Summit Aeronautics in the late 1990s and acquired by Boeing in 2010, and many of its employees are graduates of the aviation program.

Boeing reportedly spends more than \$7.5 million annually in Montana with 30 suppliers and vendors.